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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 224 Session of  
2013

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INTRODUCED BY FONTANA, WASHINGTON, KASUNIC, TARTAGLIONE,  
YUDICHAK, FERLO, FARNESE, SOLOBAY, WILLIAMS, HUGHES,  
BREWSTER, KITCHEN, COSTA, BLAKE AND BOSCOLA, FEBRUARY 5, 2013

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
FEBRUARY 5, 2013

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AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public  
2 Corporations) of the Pennsylvania Consolidated Statutes,  
3 further providing for revolving loan program accounts, for  
4 indebtedness, for Business in Our Sites Program and for First  
5 Industries Program; and making a transfer.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Sections 1542, 1543(a) and (b), 1551 and 1552(b),  
9 (c) and (f) of Title 64 of the Pennsylvania Consolidated

10 Statutes are amended to read:

11 § 1542. Revolving loan program accounts.

12 (a) The Business in Our Sites Program account.--The  
13 authority shall establish an account for the program established  
14 in section 1551 (relating to Business in Our Sites Program).

15 Proceeds of bonds issued to fund the Business in Our Sites  
16 Program and any moneys received as loan repayments under the  
17 Business in Our Sites Program, or moneys otherwise made  
18 available to the program, shall be deposited in the account and

1 made available for additional [planning grants,] project grants  
2 or loans for the purposes of the program in section 1551,  
3 subject to the provisions of any pledge to or agreement made by  
4 the authority with obligees of the authority.

5 (b) The First Industries Program account.--The authority  
6 shall establish an account for the program established in  
7 section 1552 (relating to First Industries Program). Proceeds of  
8 bonds issued to fund the First Industries Program, any moneys  
9 received as loan repayments or in repayment or recovery of loan  
10 guarantees under the program, or moneys otherwise made available  
11 to the program, shall be deposited in the account and made  
12 available for additional [planning grants or] loans or used for  
13 additional loan guarantees as provided in section 1552, subject  
14 to the provisions of any pledge to or agreement made by the  
15 authority with obligees of the authority.

16 § 1543. Indebtedness.

17 (a) General rule.--Subject to the limitations of subsection  
18 (b), the authority may, in its own name, incur indebtedness,  
19 including through the issuance of bonds, in an amount necessary  
20 to fund the [program as] programs established in Subchapter E  
21 (relating to programs) and in 12 Pa.C.S. Ch. 29 (relating to  
22 machinery and equipment loans).

23 (b) Program limitations.--Indebtedness incurred by the  
24 authority under subsection (a) shall not, in aggregate, exceed  
25 any of the following:

26 (1) [\$300,000,000] \$375,000,000 for the program  
27 established in section 1551 (relating to Business in Our  
28 Sites Program).

29 (2) \$150,000,000 for the program established in section  
30 1552 (relating to First Industries Program).

1 (3) \$60,000,000 for the program established in section  
2 1557 (relating to New Pennsylvania Venture Capital Investment  
3 Program).

4 (4) \$150,000,000 for the program established in section  
5 1555 (relating to Building Pennsylvania Program).

6 (5) \$75,000,000 for the program established in 12  
7 Pa.C.S. Ch. 29.

8 (6) \$250,000,000 for the program established in section  
9 1554 (relating to New Pennsylvania Venture Guarantee  
10 Program).

11 (7) [~~\$100,000,000~~] \$50,000,000 for the program  
12 established in section 1556 (relating to Tax Increment  
13 Financing Guarantee Program).

14 (8) \$50,000,000 for the program established in section  
15 1553 (relating to Second Stage Loan Program).

16 \* \* \*

17 § 1551. Business in Our Sites Program.

18 (a) Establishment.--There is established a program to be  
19 known as the Business in Our Sites Program. The program shall  
20 provide financial assistance for the preparation of sites  
21 located within this Commonwealth for future development.

22 (b) [Applications for planning grants.--A municipality,  
23 municipal authority, redevelopment authority or industrial  
24 development agency may submit an application to the authority  
25 requesting a planning grant for costs associated with  
26 predevelopment activities and feasibility studies for a project.  
27 The application shall be on the form required by the board and  
28 shall include or demonstrate all of the following:

29 (1) The applicant's name and address.

30 (2) The location of the project.

1 (3) A statement that the project is consistent with any  
2 existing comprehensive county plan where the project is  
3 located.

4 (4) A description of the project which includes a  
5 statement that:

6 (i) the project is for the redevelopment, reuse or  
7 revitalization of previously developed land, including  
8 previously mined areas; or

9 (ii) the project is for the development of  
10 undeveloped land which may be the subject of future  
11 development pursuant to any existing comprehensive  
12 municipal plan.

13 (5) An estimate of the cost of the predevelopment  
14 activities and feasibility studies.

15 (6) A statement of the amount of the planning grant  
16 sought.

17 (7) Any other information required by the board]  
18 (Reserved).

19 (c) [Review and approval of planning grant applications.--

20 (1) The board shall review the application. Upon being  
21 satisfied that all requirements have been met, the board may  
22 approve the application and, if approved, the authority shall  
23 award a planning grant.

24 (2) Copies of all reports and studies prepared with  
25 planning grant funds shall be filed with the authority and  
26 shall be made available to any person upon request]

27 (Reserved).

28 (d) Applications for project financing.--A municipality,  
29 municipal authority, redevelopment authority or industrial  
30 development agency may submit an application to the authority

1 requesting a loan or a combination of a loan and project grant  
2 for a project. A private developer may submit an application to  
3 the board requesting a loan for a project. The application shall  
4 be on the form required by the board and shall include or  
5 demonstrate all of the following:

6 (1) The applicant's name and address.

7 (2) The location of the project.

8 (3) A statement that the project is consistent with any  
9 existing comprehensive county plan where the project is  
10 located.

11 (4) A description of the project which includes a  
12 statement that:

13 (i) the project is for the redevelopment, reuse or  
14 revitalization of previously developed land, including  
15 previously mined areas; or

16 (ii) the project is for the development of  
17 undeveloped land which may be the subject of future  
18 development pursuant to any existing comprehensive  
19 municipal plan and is zoned for such development at the  
20 time of application.

21 (5) An estimate of the cost of the project, prepared by  
22 an engineer or other qualified professional.

23 (6) A statement of the amount of the loan or combined  
24 loan and project grant sought. If the applicant is requesting  
25 a project grant, a statement as to the financial necessity  
26 for the project grant must be included.

27 (7) Proof that notification of the project has been sent  
28 to the governing bodies of the county or counties and of the  
29 municipality or municipalities in which the project is  
30 located.

1 (8) Any other information required by the board.

2 (e) Review of project financing applications.--The board  
3 shall review the application to determine all of the following:

4 (1) That the project is consistent with any existing  
5 comprehensive county plan where the project is located.

6 (2) That the project is the redevelopment, reuse or  
7 revitalization of previously developed land, including  
8 previously mined areas, or that the project is the  
9 development of undeveloped land which may be the subject of  
10 future development pursuant to any existing comprehensive  
11 municipal plan and is zoned for such development at the time  
12 of application.

13 (3) That the value of the proposed collateral and the  
14 financial resources offered by the applicant are sufficient  
15 to repay the loan.

16 (4) That there is a substantial likelihood the land or  
17 buildings will be used upon project completion.

18 (5) That the project will enable future employment  
19 opportunities in or have a net positive economic impact on  
20 the surrounding community.

21 (6) That the statement of the estimated cost of the  
22 project is reasonable.

23 (7) That the applicant complied with all other criteria  
24 established by the board.

25 (f) Approval of project financing applications.--Upon being  
26 satisfied that all requirements have been met, the board may  
27 approve the application, and, if approved, the authority shall  
28 award a loan or a combination of a loan and project grant to be  
29 used for costs of the project. A combined loan and project grant  
30 may be awarded only if the board finds that the value of the

1 proposed collateral and the financial resources offered by the  
2 applicant are not sufficient to repay a loan in the amount of  
3 the total project cost.

4 (g) Limitations.--

5 (1) [A planning grant awarded for a project under  
6 section (c) shall not exceed \$250,000. No more than  
7 \$10,000,000 of the funds made available for the program  
8 authorized by this section may be used for planning grants]  
9 (Reserved).

10 (2) A project grant awarded under subsection (f) shall  
11 not exceed 50% of the total amount of financing awarded by  
12 the board for the project or \$5,000,000, whichever is less.  
13 No more than one-third of the funds made available for the  
14 program authorized by this section may be used for all  
15 project grants.

16 (3) No more than 15% of the funds made available for the  
17 program authorized by this section may be awarded for  
18 projects located within any one city, town, borough or  
19 township of this Commonwealth.

20 (4) The anticipated use of the land or buildings may not  
21 be primarily residential or primarily recreational.

22 (5) A project grant may be used only for one or more of  
23 the following purposes:

24 (i) Environmental assessment and remediation.

25 (ii) Site preparation, including earth moving  
26 activities.

27 (iii) Demolition of structures.

28 (iv) Installation or rehabilitation of  
29 infrastructure.

30 (v) Reimbursement of engineering and administrative

1 expenses associated with any of the activities listed in  
2 subparagraphs (i) through (iv).

3 § 1552. First Industries Program.

4 \* \* \*

5 (b) [Applications for planning grants.--An applicant may  
6 submit an application to the authority requesting a planning  
7 grant in an amount not to exceed \$250,000 for the costs of  
8 predevelopment activities and feasibility studies for a project  
9 related to tourism or agriculture. The application shall be on  
10 the form required by the board and shall include or demonstrate  
11 all of the following:

12 (1) The applicant's name and address.

13 (2) The location of the project.

14 (3) A description of the project.

15 (4) An estimate of the cost of the predevelopment  
16 activities and feasibility studies and the goal to be  
17 achieved by carrying out the proposed activities or studies.

18 (5) A statement of the amount of the planning grant  
19 sought.

20 (6) Any other information required by the board]

21 (Reserved).

22 (c) [Review and approval of planning grant applications.--

23 (1) The board shall review the application to determine  
24 that the project demonstrates one or more of the following:

25 (i) The project will have a demonstrable impact on  
26 the economy or well-being of the neighborhood, community  
27 or region where the project will be located.

28 (ii) The project will promote research and  
29 development efforts leading to increased  
30 commercialization or utilization of farm commodities.



1 (iii) The project will result in environmentally  
2 friendly or energy efficient operations related to  
3 agriculture, including projects authorized by the act of  
4 December 12, 1994 (P.L.888, No.128), known as the  
5 Agricultural By-Product Management Technology Act.

6 (iv) The project will result in more cost-effective  
7 and efficient marketing of regional assets related to  
8 tourism or agriculture.

9 (v) The project will result in a substantial  
10 increase in revenues for the Commonwealth or the host  
11 municipality.

12 (vi) The project proposes to utilize Commonwealth-  
13 owned natural resources for public/private development of  
14 tourism.

15 (2) Upon being satisfied that the requirements of  
16 paragraph (1) have been met, the board may approve the  
17 application, and, if approved, the authority shall award a  
18 planning grant.

19 (3) Copies of all reports and studies prepared with  
20 planning grant funds shall be filed with the authority and  
21 shall be made available to any person upon request]

22 (Reserved).

23 \* \* \*

24 (f) Limitations.--

25 (1) [No more than \$10,000,000 of the funds available for  
26 the program authorized by this section may be used for  
27 planning grants awarded under subsection (c)] (Reserved).

28 (2) At least two-thirds of the funds available for the  
29 program authorized by this section shall be used for  
30 financing of projects related to agriculture.

1       Section 2.   The sum of \$50,000,000 is transferred from the  
2 Tax Increment Financing Guarantee Program to the Business in Our  
3 Sites Program.

4       Section 3.   This act shall take effect in 60 days.